

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of  
James Nelson

)  
)  
)

MUR 5453

**MEMORANDUM OF JAMES NELSON IN SUPPORT OF NO ACTION**

The Respondent, James Nelson, respectfully submits this memorandum in support of his request that the Commission decline to pursue any enforcement action against him. As set forth below, Mr. Nelson did not knowingly and willfully violate the campaign finance laws. Furthermore, as a matter of administrative discretion, the Commission should decline action given the overall facts and equities of this matter.

During the period relevant to this matter, Mr. Nelson was employed as a producer for Arthur A. Watson & Co., Inc. Although he held the title of Vice President, a title shared by approximately 15 other individuals in the company, he functioned as a salesperson and was not a member of senior management. Moreover, until he was notified by the Commission of this investigation, Mr. Nelson had enjoyed an unblemished career.

The facts are straightforward. In April 2000, Mr. Nelson's direct supervisor, Michael Watts, approached several employees, including Mr. Nelson, and asked them to make contributions to the campaign of Philip Giordano. Mr. Watts indicated that the contributions would further the company's relationship with one of Mr. Watts' clients. At or about the same time, the company informed the employees that it would make them whole for the amount of their contributions by way of an increase in their compensation. The decision was made by the company's management without any request or urging by Mr. Nelson. The increase in compensation was not a one-time or temporary adjustment, but a permanent one that was

26044131131

independently supported by legitimate business reasons. Moreover, the President of the company, Tom Willsey, shared with employees that he had spoken to outside counsel and that the increase in compensation was a permissible method to make the donors whole for their contributions. Mr. Nelson trusted Mr. Willsey as a person of high standards and integrity, who would not allow the company or its employees to do anything improper, let alone illegal.

Given these facts, Mr. Nelson did not believe that his contribution would violate the campaign finance laws. He acted in good faith and simply accommodated a request from his supervisor. The decision to make him whole for the contribution was made by the company's management, who reported that the arrangement had been checked with outside counsel. In short, the facts do not support a finding that Mr. Nelson knowingly and willfully violated the law.

For the same reasons, the Commission should decline action as a matter of discretion. Mr. Nelson was not an architect of the conduct that concerns the Commission. His role was minor and secondary. He merely (and understandably) acquiesced to a request from his supervisor that the company led him to believe was approved by counsel. He received no direct benefit. The Commission's enforcement message has already been forcefully conveyed in this matter through two separate guilty pleas in federal court in Connecticut. On the other hand, the effect of an additional enforcement action against Mr. Nelson would be severe. It would jeopardize his professional license and livelihood. It would also stain an otherwise unblemished career and reputation. For someone like Mr. Nelson, who has prided himself on a law-abiding life, it would carry with it a significant emotional cost for both him and his family. Given all of these considerations, the contemplated enforcement action against Mr. Nelson is excessive and unnecessary.

In conclusion, we respectfully urge the Commission to decline to bring any action against Mr. Nelson.

Respectfully Submitted,

RESPONDENT JAMES NELSON

By: 

Alfred U. Pavlis  
Daly & Pavlis, LLC  
107 John Street  
Southport, CT 06890  
Tel.: (203) 255-6700

26044131133